

ETOWAH-DEKALB-CHEROKEE  
MENTAL HEALTH BOARD, INC.  
AUDITED FINANCIAL STATEMENTS  
September 30, 2018

Dollar & Watson, LLC  
Certified Public Accountants  
Guntersville, Alabama

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## **INDEPENDENT AUDITORS' REPORT**

Board of Directors  
Etowah-Dekalb-Cherokee Mental Health Board, Inc.  
Attalla, Alabama

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the business-type activities of Etowah-Dekalb-Cherokee Mental Health Board, Inc., as of and for the years ended September 30, 2018 and 2017, and the related notes to the financial statements, which collectively comprise Etowah-Dekalb-Cherokee Mental Health Board, Inc.'s basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the basic financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of Etowah-Dekalb-Cherokee Mental Health Board, Inc. as of September 30, 2018 and 2017, and the respective changes in financial position, and, where applicable, cash flows thereof for the years then ended in conformity with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 6 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Etowah-Dekalb-Cherokee Mental Health Board, Inc.'s financial statements as a whole. The accompanying supplemental and additional information on pages 23 through 26 is presented for purposes of additional analysis and is not a required part of the basic financial statements of the Etowah-Dekalb-Cherokee Mental Health Board, Inc.

The Schedules of Revenue and Schedule of Expenses are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedules of Revenue and Schedule of Expenses are fairly stated in all material respects in relation to the basic financial statements as a whole.

The Schedule of Board of Directors and Officials have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

#### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued a report dated April 30, 2021, on our consideration of the Etowah-Dekalb-Cherokee Mental Health Board, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grants, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Etowah-DeKalb-Cherokee Mental Health Board, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Etowah-Dekalb-Cherokee Mental Health Board, Inc.'s internal control over financial reporting and compliance.

***Dollar & Watson, LLC***

Guntersville, Alabama  
April 30, 2021

**ETOWAH DEKALB CHEROKEE MENTAL HEALTH BOARD, INC.**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**SEPTEMBER 30, 2018 AND 2017**

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The Etowah DeKalb Cherokee Mental Health Board, Inc. (the Board) discussion and analysis provides an overview of our financial performance during the fiscal years ended September 30, 2018 and 2017. This discussion and analysis should be read in conjunction with the Board's financial statements and related notes to the financial statements. Responsibility for the completeness and fairness of this information rests with the Board's management.

**OVERVIEW OF FINANCIAL STATEMENTS**

The annual report consists of three parts: Management's Discussion and Analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements are comprised of the Statement of Net Position, Statement of Revenues, Expenses, and Changes in Net Position, Statement of Cash Flows, and Notes to Financial Statements. The notes explain some of the information in the statements and provide additional detailed information. The statements are followed by a section of required supplementary information that further explains and supports the financial statements.

The Board accounts for its transactions in accordance with the pronouncements issues by the Governmental Accounting Standards Board (GASB). The Board is classified as a special-purpose government engaged only in business-type activities as outlined in the **Codification of Governmental Accounting and Financial Reporting Standards**, Section Sp20.107. The Board presents its statements as a business-type activity (BTA) under the provisions of GASB Statement Nos.34 and 35. The BTA format also requires presentation of 1) assets and liabilities as current and non-current, 2) revenues and expenses as operating and non-operating, 3) the use of the direct method for statement of cash flows, and 4) a management's discussion and analysis of the financial results.

**HIGHLIGHTS**

During the fiscal year ended September 30, 2018, a complete review of CED's readiness to transition to an electronic health record resulted in recommendations to partner with Credible Behavioral Health. Implementation will continue into the coming fiscal year with a targeted completion date by mid-2019.

The next phase will include implementation of accounting, payroll, and human resource software with a targeted completion date of late 2020. With a final phase dedicated to upgrading technology to allow the transition to a mobile workforce in an effort to meet the needs of our consumers in an efficient manner that removes transportation barriers.

The staff of CED Mental Health continues to provide care to those living a mental illness and/or a substance use disorder. The work by these individuals is delivered in a manner of professionalism with a consistent desire for excellence. CED averaged 85 employees located among the 3 outpatient offices and 2 therapeutic residential homes. Management has focused on improving follow up care to high-risk consumers through targeted case management and additional outpatient service opportunities. As a result, expenses for hospitalizations were closely monitored and came in approximately \$ 155,000 under budget projections.

The Board served approximately 4,900 consumers during the fiscal year ended September 30, 2018. 48% were served in Etowah County, 32% served in DeKalb County, with the remaining 20% being served in Cherokee County.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

NET CAPITAL ASSETS AS OF SEPTEMBER 30, 2018

CAPITAL ASSETS	2018	2017
LAND	\$ 15,000	\$ 15,000
BUILDINGS/IMPROVEMENTS	\$ 2,768,107	\$ 2,663,715
FURNITURE/FIXTURES/EQUIPMENT	\$ 823,439	\$ 781,439
AUTOMOBILES	<u>\$ 91,207</u>	<u>\$ 91,207</u>
<b>TOTAL</b>	<b><u>\$ 3,697,753</u></b>	<b><u>\$ 3,551,361</u></b>
LESS ACCUMULATED DEPRECIATION		
<b>TOTAL ACCUMULATED DEPRECIATION</b>	<b><u>\$ (2,817,970)</u></b>	<b><u>\$ (2,717,719)</u></b>
<b>NET CAPITAL ASSETS</b>	<b>\$ 879,783</b>	<b>\$ 833,642</b>

As of the year ended September 30, 2018 the board carried approximately \$277,703 of long-term debt in the form of a Notes Payable to Wells Fargo Bank. The debt was reduced by approximately \$48,000 from the previous fiscal year. The balance will be due in full in October 2019.

**ACTUAL VS BUDGET ANALYSIS**

	<b>ORIGINAL BUDGET</b>	<b>ACTUAL OPERATIONS</b>
OPERATING REVENUES	\$5,915,789	\$5,589,679
OPERATING EXPENSES	<u>\$5,745,307</u>	<u>\$5,525,349</u>
OPERATING INCOME (LOSS)	\$ 170,482	\$ 64,330
NON-OPERATING EXPENSES	<u>\$ 13,512</u>	<u>\$ 9,598</u>
INCREASE (DECREASE) IN NET POSITION	\$ 156,970	\$. 54,732

**ECONOMIC FACTORS THAT WILL AFFECT THE FUTURE**

The economic outlook for the Board remains closely tied to the Alabama State Department of Mental Health. The Board must be able to provide the required match from state or local government funds to continue billing Medicaid. At this time 76% of the Board’s revenues are derived from the contract with the Alabama State Department of Mental Health.

**CONTACTING THE BOARD’S MANAGEMENT**

The financial report is designed to provide our citizens, taxpayers, and creditors with a general overview of the Board’s financial health, and to demonstrate the Board’s accountability for the funds it receives. If readers have any question about this report or need additional information, contact Shelia Hurley, Executive Director, Etowah DeKalb Cherokee Mental Health Board, Inc., 425 5<sup>th</sup> Avenue NW, Attalla, AL 35954.

ETOWAH-DEKALB-CHEROKEE MENTAL HEALTH BOARD, INC.

STATEMENTS OF NET POSITION

SEPTEMBER 30, 2018 AND 2017

<u>ASSETS</u>		
	<u>2018</u>	<u>2017</u>
<b>CURRENT ASSETS</b>		
Cash	\$ 457,448	\$ 458,116
Contracts Receivable	705,463	792,906
Patient Billings Receivable, Net of Allowance of \$0 for 2018 and \$0 for 2017	-	-
Prepaid Expenses	62,174	40,903
Miscellaneous Receivables	19,368	24,293
<b>TOTAL CURRENT ASSETS</b>	<u>1,244,453</u>	<u>1,316,218</u>
<b>NONCURRENT ASSETS</b>		
Capital Assets		
Land	15,000	15,000
Buildings and Improvements	2,768,107	2,663,715
Automotive Equipment	91,207	91,207
Furniture and Equipment	823,439	781,439
	<u>3,697,753</u>	<u>3,551,361</u>
Less Accumulated Depreciation	2,817,970	2,717,719
<b>TOTAL NONCURRENT ASSETS</b>	<u>879,783</u>	<u>833,642</u>
<b>TOTAL ASSETS</b>	<u>\$ 2,124,236</u>	<u>\$ 2,149,860</u>



ETOWAH-DEKALB-CHEROKEE MENTAL HEALTH BOARD, INC.

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

FOR THE YEARS ENDED SEPTEMBER 30, 2018 AND 2017

	2018	2017
<b>OPERATING REVENUES</b>		
State Government Grants and Contracts	\$ 4,859,930	\$ 5,033,296
Federal Government Grants and Contracts	224,084	302,946
Other	155,523	169,531
Local Government Grants and Contracts	137,946	136,204
Patient Fees	212,196	127,620
	<u>5,589,679</u>	<u>5,769,597</u>
<b>OPERATING EXPENSES</b>		
Administration	532,442	423,243
Program	4,992,907	4,924,465
	<u>5,525,349</u>	<u>5,347,708</u>
Operating Income	64,330	421,889
<b>NONOPERATING REVENUES (EXPENSES)</b>		
Interest on Capital Asset-Related Debt	<u>(9,598)</u>	<u>(13,716)</u>
Increase in Net Position	54,732	408,173
NET POSITION - Beginning of Year	<u>1,455,212</u>	<u>1,047,039</u>
NET POSITION - End of Year	<u>\$ 1,509,944</u>	<u>\$ 1,455,212</u>

The accompanying Notes to Financial Statements are an integral part of these financial statements.

ETOWAH-DEKALB-CHEROKEE MENTAL HEALTH BOARD, INC.

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED SEPTEMBER 30, 2018 AND 2017

	2018	2017
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash Received From Patient Services, Grants and Contracts	\$ 5,677,122	\$ 5,492,727
Payments to Suppliers and Others	(2,604,380)	(2,596,523)
Payments to Employees	(2,869,664)	(2,789,875)
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u>203,078</u>	<u>106,329</u>
<b>CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Proceeds from Short-term Debt	-	-
Principal Payments on Short-term Debt	-	-
Interest Paid on Short-term Debt	-	-
<b>NET CASH USED BY NONCAPITAL AND RELATED FINANCING ACTIVITIES</b>	<u>-</u>	<u>-</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Purchases of Capital Assets	(146,392)	(57,046)
Proceeds from Long-term Debt	-	-
Principal Payments on Capital Debt	(47,756)	(39,226)
Interest Paid on Capital Debt	(9,598)	(13,716)
<b>NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES</b>	<u>(203,746)</u>	<u>(109,988)</u>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	(668)	(3,659)
<b>CASH AND CASH EQUIVALENTS - Beginning of Year</b>	<u>458,116</u>	<u>461,775</u>
<b>CASH AND CASH EQUIVALENTS - End of Year</b>	<u>\$ 457,448</u>	<u>\$ 458,116</u>

	2018	2017
Reconciliation of Operating Income to Net Cash		
Provided by Operating Activities:		
Operating Income	\$ 64,330	\$ 421,889
Adjustments to Reconcile Operating Income to Net Cash		
Provided by Operating Activities:		
Depreciation	100,251	104,006
Changes in Operating Assets and Liabilities		
(Increase) Decrease in Patient Billings and Contracts Receivable	87,443	(276,870)
Decrease in Miscellaneous Receivables	4,925	33,610
(Increase) Decrease in Prepaid Expenses	(21,271)	17,887
Decrease in Accounts Payable	(76,427)	(150,871)
Decrease in Contracts Payable	-	(61,476)
Increase in Payroll Taxes and Other Withholdings	17,023	1,183
Increase in Accrued Payroll	5,419	24,337
Increase (Decrease) in Compensated Absences	21,385	(7,366)
	<u>138,748</u>	<u>(315,560)</u>
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u><u>\$ 203,078</u></u>	<u><u>\$ 106,329</u></u>

The accompanying Notes to Financial Statements are an integral part of the financial statements.

ETOWAH-DEKALB-CHEROKEE MENTAL HEALTH BOARD, INC.

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2018 AND 2017

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NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

NATURE OF THE ORGANIZATION

The Etowah-Dekalb-Cherokee Mental Health Board, Inc. does business as CED Mental Health Center. Within these financial statements, only the legal name of Etowah-Dekalb-Cherokee Mental Health Board, Inc., or simply "the Board", is used. The Board is a public corporation organized pursuant to Chapter 51, Title 22, Code of Alabama (1975), Acts of Alabama, Acts No. 310. The Board was formed to promote the general welfare and to provide services to individuals with mental illnesses, alcoholism, and drug abuse in Cherokee, Etowah, and Dekalb Counties.

The accounting and reporting policies of the Board conform to generally accepted accounting principles applicable to state and local governments. Generally accepted accounting principles include those principles prescribed by the Governmental Accounting Standards Board (GASB), the American Institute of Certified Public Accountants in the publication entitled *Audits of State and Local Governmental Units* and by the Financial Accounting Standards Board (FASB) (when applicable). As allowed in Section P80 of GASB's *Codification of Governmental Accounting and Financial Reporting Standards*, the Board has elected not to apply to its activities Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the Committee of Accounting Procedure after November 30, 1989. The more significant accounting principles of the Board are described below.

REPORTING ENTITY

In evaluating how to define the Etowah-Dekalb-Cherokee Mental Health Board, Inc., for financial reporting purposes, management considered all the criteria for determining component units. The basic - but not the only - criteria for including a potential component unit within the reporting entity are the government's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluation potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and/or its citizens, or whether the activity is conducted within the geographic boundaries of the government and is generally available to its citizens. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financial relationships, regardless of whether the government is able to exercise oversight responsibilities. Based upon the application of these criteria, the Etowah-Dekalb-Cherokee Mental Health Board, Inc. does not exercise oversight duties over any other program.

(Continued)

ETOWAH-DEKALB-CHEROKEE MENTAL HEALTH BOARD, INC.

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2018 AND 2017

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NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

BASIC FINANCIAL STATEMENTS - GASB NO. 34

Basic financial statements include both government-wide, based on the Board as a whole, and fund financial statements. While the previous model emphasized fund types, the total of all funds of a particular type, in the new reporting model the focus is on either the Board as a whole or major individual funds within the fund financial statements. Both the government-wide and fund financial statements categorize activities as either governmental activities or business-type activities. The Board is engaged only in providing business-type activities, which are reported using an enterprise fund. These activities are financed in whole or in part by fees charged to external parties for goods or services. Since the Board does not engage in governmental activities, the Business-Type Activity (BTA) model is used. This model presents only the financial statements required for enterprise funds.

Fund financial statements report detailed information about the Board. The focus of governmental and enterprise fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a single column. The Board's one enterprise fund is considered major. The Board has no nonmajor funds.

The Board's enterprise fund reports all activities of the Board. Revenues received by providing comprehensive programs of community based mental retardation and other developmental disabilities services are recognized as program or grant revenues.

BASIS OF ACCOUNTING

The accounting system is organized and operated on a fund basis. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

The Board's fund is categorized as a proprietary fund for financial statement presentation purposes. Proprietary funds include the enterprise fund. Proprietary funds are accounted for using the accrual basis of accounting. These funds account for operations that are primarily financed by user charges. The accrual basis of accounting recognizes revenues when earned. Expenses are recorded when incurred. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Grant revenue, charges for client services, and other income associated with the current fiscal year are all considered to be susceptible to accrual and have been recognized as revenue of the current fiscal year.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing activities. The principal operating revenues of the Board's enterprise fund are charges to clients for services. Operating expenses for the enterprise fund include cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

(Continued)

ETOWAH-DEKALB-CHEROKEE MENTAL HEALTH BOARD, INC.

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2018 AND 2017

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NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

BASIS OF ACCOUNTING (Continued)

In accordance with GASB Statement No. 62, the Board applies all applicable FASB and AICPA pronouncements that do not conflict with or contradict guidance of the GASB. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The Board has elected not to follow subsequent private-sector guidance.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include amounts in demand deposits as well as short-term investments purchased with a maturity of three months or less.

CAPITAL ASSETS

Capital assets are carried at cost for amounts greater than \$1,000. Replacements, maintenance and repairs which do not improve or extend the life of the respective assets are charged to operations as incurred. Depreciation charges to operations are determined using the straight-line method over the estimated useful lives of the related assets as follows:

Buildings and Improvements	15-40 Years
Equipment and Furniture	5-10 Years
Automobiles	5 Years

COMPENSATED ABSENCES

The Board allows employees to accumulate paid time off based on years of service and job classification. Employees earn vacation days ranging from twelve to twenty-four days. Upon termination, the Board will pay for any remaining accumulated time. As of September 30, 2018 and 2017, the liability for accrued paid time off is \$112,595 and \$91,210, respectively.

Substantially all employees earn one day of sick leave per month. Sick leave may be accumulated up to a maximum of 60 days. Employees are not compensated for unused sick leave should they resign or be terminated from employment. In accordance with generally accepted accounting principles, an accrual for compensated absences is included in the statement of net position.

ADVERTISING COSTS

Advertising costs for the years ended September 30, 2018 and 2017 were \$7,133 and \$4,350, respectively.

(Continued)

ETOWAH-DEKALB-CHEROKEE MENTAL HEALTH BOARD, INC.

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2018 AND 2017

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NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

PATIENT RECEIVABLES

An amount for unpaid patient services is recorded as a receivable in the records of the Board. Current earnings are charged and an allowance is credited with a provision for doubtful accounts based on experience and any unusual circumstances which may affect the ability of patients and third parties to make payments.

Discounts and allowances relating to patient fees are determined by use of an income factor measuring the individual's ability to pay.

USE OF ESTIMATES

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

REVENUES

Revenues are reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined.

The Board's revenues are generated predominately from the provision of mental illness, mental retardation, drug prevention and drug treatment in Etowah, Dekalb, and Cherokee Counties in North Alabama. Laws and regulations governing Medicaid programs are complex and subject to interpretation. The Board believes that it is in compliance with all applicable laws and regulations and it is not aware of any pending or threatened investigations involving allegations of potential wrongdoing. While no such regulatory inquiries have been made, compliance with such laws and regulations can be subject to future government review and interpretation as well as significant regulatory action including fines, penalties, and exclusion from the Medicaid programs. Revenues for consumers covered by Medicaid were \$722,375 and \$865,116 for the years ended September 30, 2018 and 2017, respectively.

Contract revenue generated from the following services are reported as operating revenues: assessments, intake/evaluation, individual counseling, group counseling, family counseling, crisis intervention and resolution, pre-hospitalization screening, court screening, family support, mental health consultation, housing support services, substance abuse services, case management and facility management.

Transactions which are capital, financing or investing related are reported as non-operating revenues. All expenses related to administration and operation of program activities are reported as operating expenses. Interest expense and financing costs are reported as non-operating expenses.

(Continued)

ETOWAH-DEKALB-CHEROKEE MENTAL HEALTH BOARD, INC.

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2018 AND 2017

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NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

NET POSITION

In accordance with GASB Statement No. 34, the Board classified net position into three components – net investment in capital assets; restricted; and unrestricted. These classifications are defined as follows:

Net investment in capital assets - This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds are not included in the calculation of invested in capital assets, net of related debt. Rather, that portion of the debt is included in the same net position component as the unspent proceeds.

Restricted - This component of net position consists of constraints placed on net position use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

Unrestricted net position – This component of net position consists of net position that do not meet the definition of “restricted” or “net investment in capital assets.”

RECLASSIFICATIONS

Certain accounts in the prior-year financial statements have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements.

NOTE 2 - DEPOSITS AND INVESTMENTS

The Board's deposits at September 30, 2018 and 2017 were held by a financial institution in the State of Alabama's Security of Alabama Funds Enhancement (SAFE) Program. Entities organized pursuant to Act No. 310, Acts of Alabama 1967 (“310 Boards”) are subject to the provisions of the SAFE Act. The SAFE Program was established by the Alabama Legislature and is governed by the provisions contained in the *Code of Alabama 1975*, Sections 41-14A-1 through 41-14A-14. Under the SAFE Program, all public funds are protected through a collateral pool administered by the Alabama State Treasurer's Office. Under this program, financial institutions holding deposits of public funds must pledge securities as collateral against those deposits. In the event of failure of a financial institution, securities pledged by that financial institution would be liquidated by the State Treasurer to replace the public deposits not covered by Federal Depository Insurance Corporation (FDIC). If the securities pledged failed to produce adequate funds, every institution participating in the pool would share the liability for the remaining balance.

ETOWAH-DEKALB-CHEROKEE MENTAL HEALTH BOARD, INC.

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2018 AND 2017

NOTE 3 - CONTRACTS RECEIVABLE

As of September 30, 2018 and 2017, substantially all contracts receivable were from items related to the state contracts. The Board enters into annual contracts administered by the Alabama Department of Mental Health, beginning October 1 of the contract year, to provide services as specified by the contract. The Board records revenue as services are provided under this contract. Receivables related to this contract are considered fully collectible; therefore, no allowance for doubtful accounts is maintained. If an amount is determined to be uncollectible, due to ineligibility, etc., DMH reduces a future payment when that determination is made. From time to time, other funding may be obtained for provision of specified services by receipt of grant awards from state and federal agencies.

NOTE 4 - CHANGES IN CAPITAL ASSETS

A summary of changes in capital assets for the year ended September 30, 2018 is as follows:

	<u>Beginning</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending</u>
Land	\$ 15,000	\$ -	\$ -	\$ 15,000
Buildings and Improvements	2,663,715	104,392	-	2,768,107
Automotive Equipment	91,207	-	-	91,207
Furniture and Equipment	781,439	42,000	-	823,439
Accumulated Depreciation	<u>(2,717,719)</u>	<u>(100,251)</u>	-	<u>(2,817,970)</u>
	<u>\$ 833,642</u>	<u>\$ 46,141</u>	<u>\$ -</u>	<u>\$ 879,783</u>

A summary of changes in capital assets for the year ended September 30, 2017, is as follows:

	<u>Beginning</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending</u>
Land	\$ 15,000	\$ -	\$ -	\$ 15,000
Buildings and Improvements	2,610,069	53,646	-	2,663,715
Automotive Equipment	91,207	-	-	91,207
Furniture and Equipment	778,039	3,400	-	781,439
Accumulated Depreciation	<u>(2,613,713)</u>	<u>(104,006)</u>	-	<u>(2,717,719)</u>
	<u>\$ 880,602</u>	<u>\$ (46,960)</u>	<u>\$ -</u>	<u>\$ 833,642</u>

ETOWAH-DEKALB-CHEROKEE MENTAL HEALTH BOARD, INC.

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2018 AND 2017

NOTE 5 – ACCOUNTS PAYABLE

Accounts payable consist of the following at September 30:

	<u>2018</u>	<u>2017</u>
Subcontractors	\$ -	\$ -
Suppliers	61,904	138,331
Employees	-	-
	<u>\$ 61,904</u>	<u>\$ 138,331</u>

NOTE 6 - LONG-TERM DEBT

Long-term debt as of September 30, 2018, consists of the following:

	<u>Beginning</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending</u>	<u>Due in 1 Year</u>
Note payable to Wells Fargo dated September 22, 2014, in the amount of \$436,632, payable in monthly installments of \$4,412 with a balloon payment due October 1, 2019, including interest at 3.90% secured by real estate.	\$ 325,459	\$ -	\$ 47,756	\$ 277,703	\$ 42,707

The following schedule summarizes debt service requirements for the years ending September 30:

<u>Year Ending September 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 42,707	\$ 10,235	\$ 52,942
2020	234,996	777	235,773
	<u>\$ 277,703</u>	<u>\$ 11,012</u>	<u>\$ 288,715</u>

(Continued)

ETOWAH-DEKALB-CHEROKEE MENTAL HEALTH BOARD, INC.

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2018 AND 2017

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NOTE 6 - LONG-TERM DEBT (Continued)

Long-term debt as of September 30, 2017, consists of the following:

	<u>Beginning</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending</u>	<u>Due in 1 Year</u>
Note payable to Wells Fargo dated September 22, 2014, in the amount of \$436,632, payable in monthly installments of \$4,412 with a balloon payment due October 1, 2019, including interest at 3.90% secured by real estate.	\$ 364,685	\$ -	\$ 39,226	\$ 325,459	\$ 41,075

NOTE 7 - EMPLOYEE RETIREMENT PLAN

As of September 30, 2018 and 2017, the Board maintained a defined contribution retirement plan for its qualified employees. The Board deposits an amount equivalent to three percent of an employee's gross salary to the plan monthly. Employees are eligible to participate in the plan after six months of employment and are immediately 100% vested in the contributions and earnings in their accounts. During the year ended September 30, 2018 and 2017, the Board contributed \$78,741 and \$75,973, respectively, to the plan.

NOTE 8 - LEASES

A building owned by the Board in Fort Payne, Alabama is located on property leased from the DeKalb County Commission. The annual lease payment is \$1. The lease began in 1977 and is for a period of 50 years..

ETOWAH-DEKALB-CHEROKEE MENTAL HEALTH BOARD, INC.

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2018 AND 2017

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NOTE 9 - TAX AND CORPORATE STATUS

The Board is a tax-exempt organization under the provisions of Section 501(c)(3) of the Internal Revenue Code and Act No. 310, H.591, Acts of Alabama, 1977, Regular Session of Legislature of Alabama. The Organization's Form 990, *Return of Organization Exempt from Income Tax*, for the years ending September 30, 2016, 2017, and 2018 are subject to examination by the IRS, generally three years after they were filed.

NOTE 10 - COMMITMENTS

At September 30, 2018, the Board was committed to a construction project for upgrades and improvements to the group home in Centre, Alabama. As of September 30, 2018, the Board had spent \$177,322 towards the project. The total cost of the project is expected to be approximately \$184,000 with an estimated completion date of September 2019.

At September 30, 2018, the Board was committed to a construction project for renovations to the group home in Gadsden, Alabama. As of September 30, 2018, the Board had spent \$63,159 towards the project. The total cost of the project is expected to be approximately \$92,000 with an estimated completion date of September 2019.

NOTE 11 – CONTINGENCIES AND LITIGATION

The Board is governed by various state and local regulations as a result of grants and contracts with these agencies and therefore is subject to audit by those agencies. In general, a governmental agency may audit a particular program up to three years after the close of the program for the entire program period, even though the program was for more than one fiscal period. Experience has shown that interpretations of these regulations are in a state of evolution making management unable to predict the ultimate effect, if any, for audits by governmental agencies. Liability resulting from such audits, if any, is undeterminable.

The Board receives a substantial amount of its support from federal, state, and local government agencies funded by Medicaid dollars. A significant reduction in the level of this support, if it were to occur, may have an effect on the Board's ability to continue its programs and activities.

Funding for services through contracts with the Alabama Department of Mental Health is subject to audit by Medicaid. Funding for services received from Medicare is also subject to audit by Medicare. The results of future audits could be material and are not estimated in the financial statements at this time.

ETOWAH-DEKALB-CHEROKEE MENTAL HEALTH BOARD, INC.

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2018 AND 2017

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NOTE 12 – CONCENTRATIONS

The Board receives revenue primarily from the Alabama Department of Mental Health and the Alabama Medicaid Agency.

NOTE 13 - RISK MANAGEMENT

The Board is exposed to various risks of loss related to torts, theft of, damage to, or destruction of assets, errors and omissions, workers compensation, and health care of its employees. The Board maintains commercial insurance coverage covering each of the above risks of loss. Management believes that the coverage is adequate to prevent significant uninsured risk exposure to the Board.

NOTE 14 – RELATED PARTY

Several of the Board of Directors are also elected officials of the respective cities and/or counties that contribute funding to the Organization.

NOTE 15 – EVALUATION OF SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through April 30, 2021, the date which the financial statements were available to be issued.

A novel strain of coronavirus, COVID-19, emerged in the United States in early 2020. The extent of the impact of COVID-19 on the Board's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, impact on its customers, employees, and vendors, all of which are uncertain and cannot be predicted. At this point, the extent to which COVID-19 may impact the Board's financial condition or results of operations is uncertain.

On March 27, 2020, President Trump signed into law the "Coronavirus Aid, Relief, and Economic Security (CARES) Act." The CARES Act, among other things, includes provisions relating to refundable payroll tax credits, deferment of employer side social security payments, net operating loss carryback period, alternative minimum tax credit refunds, modifications to the net interest deduction limitations, increased limitations on qualified charitable contributions, and technical corrections to tax depreciation methods for qualified improvement property.

The Board continues to examine the impact the CARES Act may have on its business. Currently, the Board is unable to determine the impact the CARES Act will have on its financial condition, results of operations, or liquidity.

## OTHER FINANCIAL INFORMATION

ETOWAH-DEKALB-CHEROKEE MENTAL HEALTH BOARD, INC.

SUPPLEMENTAL SCHEDULE OF REVENUE

FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Federal Government	State Government	Local Government	Patient Fees	Other	Total
Department of Health and Human Services						
Grants & Contracts	\$ 224,084	\$ -	\$ -	-	\$ -	\$ 224,084
Supported Housing	-	108,000	-	-	-	108,000
Department of Social Services	-	22,500	-	-	-	22,500
Headstart	-	-	-	-	-	-
Department of Youth Services	-	18,442	-	-	-	18,442
State Department of Mental Health Grants & Contracts	-	4,710,988	-	-	-	4,710,988
County Governments	-	-	127,030	-	-	127,030
City Governments	-	-	10,916	-	-	10,916
Patient Fees	-	-	-	212,196	-	212,196
Rental Income	-	-	-	-	125,658	125,658
Miscellaneous	-	-	-	-	15,920	15,920
Fees for Records	-	-	-	-	13,945	13,945
	<u>\$ 224,084</u>	<u>\$ 4,859,930</u>	<u>\$ 137,946</u>	<u>\$ 212,196</u>	<u>\$ 155,523</u>	<u>\$ 5,589,679</u>

See Accountants' Report

ETOWAH-DEKALB-CHEROKEE MENTAL HEALTH BOARD, INC.

SUPPLEMENTAL SCHEDULE OF REVENUE

FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Federal Government	State Government	Local Government	Patient Fees	Other	Total
Department of Health and Human Services						
Grants & Contracts	\$ 302,946	\$ -	\$ -	-	\$ -	\$ 302,946
Supported Housing	-	110,436	-	-	-	110,436
Department of Social Services	-	22,500	-	-	-	22,500
Headstart	-	488	-	-	-	488
Department of Youth Services	-	23,415	-	-	-	23,415
State Department of Mental Health Grants & Contracts	-	4,876,457	-	-	-	4,876,457
County Governments	-	-	127,210	-	-	127,210
City Governments	-	-	8,994	-	-	8,994
Patient Fees	-	-	-	127,620	-	127,620
Rental Income	-	-	-	-	129,398	129,398
Miscellaneous	-	-	-	-	25,158	25,158
Fees for Records	-	-	-	-	14,975	14,975
	<u>\$ 302,946</u>	<u>\$ 5,033,296</u>	<u>\$ 136,204</u>	<u>\$ 127,620</u>	<u>\$ 169,531</u>	<u>\$ 5,769,597</u>

See Accountants' Report

ETOWAH-DEKALB-CHEROKEE MENTAL HEALTH BOARD, INC.

SUPPLEMENTAL SCHEDULE OF EXPENSES

FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Administrative Expenses	Program Expenses	Total
Salaries	\$ 252,758	\$ 2,643,710	\$ 2,896,468
Provider Contracts	-	562,050	562,050
Employee Benefits	129,706	323,441	453,147
Contract Wages	2,803	304,864	307,667
Payroll Taxes	22,422	188,156	210,578
Utilities	5,029	132,334	137,363
Travel	4,905	117,935	122,840
Computer Services	11,598	93,735	105,333
Depreciation	15,038	85,213	100,251
Insurance	5,213	82,020	87,233
Building Repairs and Maintenance	16,232	61,772	78,004
Telephone	4,060	65,149	69,209
Food	1,957	61,015	62,972
Professional Fees	32,097	12,535	44,632
Activities and Field Trips	1,416	38,531	39,947
Supported Housing	-	38,858	38,858
Office Supplies	4,432	32,024	36,456
Supplies and Equipment	6,524	20,487	27,011
Equipment Repairs and Maintenance	1,798	17,441	19,239
Janitorial Services and Supplies	346	15,250	15,596
Waste Disposal	1,483	13,841	15,324
Dues and Subscriptions	1,820	13,482	15,302
Client Transportation	-	14,059	14,059
Equipment Rental	1,963	11,320	13,283
Employee Training	277	6,990	7,267
Miscellaneous Kitchen and Household Supplies	44	7,156	7,200
Advertising	1,523	5,610	7,133
Auto Repairs and Maintenance	30	6,632	6,662
Bank Charges	5,334	977	6,311
Postage	633	5,008	5,641
Pharmacy	-	5,456	5,456
Personnel Staffing Cost	616	3,666	4,282
Books and Publications	82	1,479	1,561
Employee Licenses	303	711	1,014
	<u>\$ 532,442</u>	<u>\$ 4,992,907</u>	<u>\$ 5,525,349</u>

See Accountants' Report

ETOWAH-DEKALB-CHEROKEE MENTAL HEALTH BOARD, INC.

SUPPLEMENTAL SCHEDULE OF EXPENSES

FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Administrative Expenses	Program Expenses	Total
Salaries	\$ 237,893	\$ 2,568,953	\$ 2,806,846
Provider Contracts	-	629,587	629,587
Employee Benefits	39,523	343,651	383,174
Contract Wages	-	272,689	272,689
Payroll Taxes	22,828	182,778	205,606
Utilities	7,387	110,598	117,985
Travel	2,666	106,472	109,138
Depreciation	15,601	88,405	104,006
Building Repairs and Maintenance	8,325	84,626	92,951
Insurance	5,007	87,087	92,094
Computer Services	9,537	77,424	86,961
Telephone	6,474	58,780	65,254
Food	3,525	57,014	60,539
Supported Housing	-	51,813	51,813
Professional Fees	34,329	6,079	40,408
Activities and Field Trips	329	32,580	32,909
Office Supplies	5,416	23,335	28,751
Dues and Subscriptions	3,412	16,908	20,320
Janitorial Services and Supplies	389	18,425	18,814
Client Transportation	-	16,127	16,127
Employee Training	8,580	7,109	15,689
Equipment Repairs and Maintenance	726	13,967	14,693
Waste Disposal	803	12,125	12,928
Equipment Rental	1,119	11,569	12,688
Miscellaneous Kitchen and Household Supplies	225	11,663	11,888
Supplies and Equipment	180	7,391	7,571
Pharmacy	142	6,860	7,002
Bank Charges	5,894	963	6,857
Auto Repairs and Maintenance	768	5,216	5,984
Personnel Staffing Cost	40	4,815	4,855
Advertising	36	4,314	4,350
Employee Licenses	1,101	2,399	3,500
Postage	353	1,982	2,335
Books and Publications	635	761	1,396
	<u>\$ 423,243</u>	<u>\$ 4,924,465</u>	<u>\$ 5,347,708</u>

See Accountants' Report

ETOWAH-DEKALB-CHEROKEE MENTAL HEALTH BOARD, INC.

SCHEDULE OF BOARD OF DIRECTORS AND OFFICIALS

SEPTEMBER 30, 2018

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<u>Board Members</u>	<u>Position</u>	<u>Term Expires</u>
Doug Ford	Chairman	2021
Sue Guffey	Vice-Chairman	2021
Sandra Graham	Secretary	2023
Rebecca Clayton	Treasurer	2019
Clara Underwood	Member	2019
Shelia Stevens	Member	2023
Wayne Woods	Member	2022
Gelane Nelson	Member	2019
David Smith	Member	2024
Emily McCamy	Member	2022
Gary Davis	Member	2023
Cindy Cline	Member	2019
Connie Coley	Member	2023
Rebecca Crane	Member	2019
Portia Foster	Member	2023
Emily Mills	Member	2021
Renee Culverhouse	Member	2019
Sharon Maness	Member	2023
Carolyn Parker	Member	2022
Jeff Colegrove	Member	2025
Karen Blythe Smith	Member	2022

Officials

Shelia Hurley                      Executive Director

UNAUDITED

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL  
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER  
MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

Board of Directors  
Etowah-Dekalb-Cherokee Mental Health Board, Inc.  
Attalla, Alabama

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the business-type activities of Etowah-Dekalb-Cherokee Mental Health Board, Inc. as of and for the years ended September 30, 2018 and 2017, and the related notes to the financial statements, which collectively comprise Etowah-Dekalb-Cherokee Mental Health Board, Inc.'s basic financial statements and have issued our report thereon dated April 30, 2021.

**Internal Control Over Financial Reporting**

In planning and performing our audits of the financial statements, we considered the Etowah-Dekalb-Cherokee Mental Health Board, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Etowah-Dekalb-Cherokee Mental Health Board, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the Etowah-Dekalb-Cherokee Mental Health Board, Inc.'s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Etowah-Dekalb-Cherokee Mental Health Board, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audits and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

### ***Dollar & Watson, LLC***

Guntersville, Alabama  
April 30, 2021

Leigh Barnett Dollar, CPA

Roger E. Watson, Jr., CPA

431 Gunter Avenue • P.O. Box 143 • Guntersville, Alabama 35976  
(256) 582-1266 Fax (256) 582-1268

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE  
WITH DEPARTMENT OF MENTAL HEALTH CONTRACT**

Board of Directors  
Etowah-Dekalb-Cherokee Mental Health Board, Inc.  
Attalla, Alabama

We have audited contract number G7/8-032549 between the Department of Mental Health (DMH) and the Etowah-Dekalb-Cherokee Mental Health Board, Inc. as of and for the years ended September 30, 2018 and 2017.

Compliance with the DMH contract/grant/agreement, Provider Agreement and all applicable laws, rules, and regulations applicable to the Etowah-Dekalb-Cherokee Mental Health Board, Inc. is the responsibility of the Etowah-Dekalb-Cherokee Mental Health Board, Inc.'s management. As part of obtaining reasonable assurance about whether the contract/grant/agreement, Provider Agreement and all applicable laws, rules, and regulations were complied with, we performed certain tests of transactions and made other determinations as outlined in each requirement of Section 12, Audit for Compliance with the Contract of the DMH Audit Guidelines. Revenue and expenditures were analyzed to determine if they were in compliance with applicable terms and conditions of the contract/grant/agreement. Funds claimed as match for federal programs were audited to determine if they were allowable and adequate to match the federal funds received.

The results of our tests disclosed no material instances of noncompliance with the DMH contract/grant/agreement and all applicable laws, rules, and regulations, as applicable.

This report is intended for the information of management and DMH. However, this report is a matter of public record and its distribution is not limited.

***Dollar & Watson, LLC***

Guntersville, Alabama  
April 30, 2021